

JUDGE BRIEANT

07 CV 10358

UNITED STATES DISTRICT COURT
SOUTHERN DISTRICT OF NEW YORK

RAYMOND PAWLYK,

Plaintiff,

-vs-

CIGNA CORPORATION, A Delaware
Corporation doing business in the
State of New York,
Defendant

Case No.:

COMPLAINT

Breach of Contract

Pursuant to

29 U.S.C. § 1132

Plaintiff RAYMOND PAWLYK (hereinafter, "Plaintiff") alleges

1. Plaintiff is a citizen and a resident of the County of Rockland, State of New York, and the United States of America. Until on or about May 4, 2007, the Plaintiff was an employee of STATE FARM MUTUAL INSURANCE COMPANY, and was a participant in one or more employee benefit plans maintained by STATE FARM MUTUAL INSURANCE COMPANY.

2. Defendant CIGNA CORPORATION (hereinafter, "CIGNA") provided, through its wholly owned subsidiary, LIFE INSURANCE COMPANY OF NORTH AMERICA, and administered a policy of insurance

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providing long-term disability benefits to qualified employees of CONSECO, including the Plaintiff.

3. CIGNA is a corporation organized under the laws of the State of Delaware, with principal offices in the City of Philadelphia, County of Philadelphia, State of Pennsylvania, and doing business in the State of New York and throughout the United States.

4. Count I of the complaint herein arises out of the deprivation by the defendants of rights secured to Plaintiff under an employee welfare benefit plan hereinafter described. This Court has jurisdiction of this action under the Employee Retirement Income Security Act of 1974, Pub.L. No. 93-406, § 502 (September 2, 1974) (hereinafter cited as ERISA), codified at 29 U.S.C. § 1132.

**COUNT 1
FOR DECLARATORY JUDGMENT**

5. Plaintiff is entitled to certain disability benefits under a plan in full force and effect and fully applicable to Plaintiff on and subsequent to August 29, 2006, when he was injured in a work related accident and subsequently became totally and permanently disabled.

6. The long-term disability policy in effect on and subsequent to August 29, 2006, policy, identified as Policy No. LK-006900, issued by CIGNA's wholly owned subsidiary, LIFE

INSURANCE COMPANY OF NORTH AMERICA, to STATE FARM MUTUAL INSURANCE COMPANY for the benefit of employees of STATE FARM MUTUAL INSURANCE COMPANY, effective January 1, 1999. Attached hereto as "**Exhibit A**" is a copy of the disability policy as provided to Plaintiff by CIGNA, and by this reference made a part hereof.

7. Defendants collected, through payroll deductions, from Plaintiff certain premiums as partial payment for the CONSECO long-term disability benefits plan with assurance benefits would be available, when needed, upon satisfactory proof of disability.

8. The CIGNA disability plan, together with its predecessor plans, is an employee welfare benefit plan as defined in ERISA, § 3(1), codified as 29 U.S.C. § 1002(1), and is subject to the various provisions of that Act, including the enforcement provisions and remedies, as specifically provided in 29 U.S.C. § 1132.

9. From August 29, 2006, until at least October 24, 2007, CIGNA exercised discretionary authority and control over administration and management of the plan and its assets. Acting in that capacity, CIGNA is charged with the duty of managing and administering the plan in the interest of participants and beneficiaries of the plan.

10. Upon information and belief, CIGNA had and continues to have an overriding interest in denying benefits to

participants in the STATE FARM MUTUAL INSURANCE COMPANY employee disability plan in that granting benefits would diminish CIGNA's profits to the detriment of the stockholders of CIGNA to which it holds a fiduciary duty to maximize profits.

11. Plaintiff has submitted satisfactory proof of permanent disability entitling his to past and future benefits under the aforementioned plan.

12. Plaintiff has been certified by her treating physician as being permanently and totally disabled continuously since on or about August 29, 2006, the last date that the plaintiff was able to work for STATE FARM MUTUAL INSURANCE COMPANY.

13. Defendant disregarded the findings and conclusions of the plaintiff's treating physicians.

14. Defendants CIGNA breached the terms of the aforementioned employee benefit plan in their denial of disability benefits to which Plaintiff is entitled, having completed their final administrative review and denial of Plaintiff's claim for benefits on or about September 6, 2007. Attached hereto as "**Exhibit B**" is a copy of the letter dated September 6, 2007, from Medha Bharadwaj, who identified herself as an Appeals Claims Examiner for CIGNA, to legal counsel for the Plaintiff, in which she provides the basis for the final benefit denial, and by this reference is made a part hereof.

15. The refusal by CIGNA to recognize chronic and acute

pain as sufficient cause to produce disability, and the decision to disregard the findings and conclusions of the treating physician with long-term experience observing and treating the Plaintiff, choosing instead to follow the findings and conclusions of an out-of-state physician who never examined the Plaintiff and who lacks sufficient independence because of his significant reliance on insurance company referral income, represents an abuse of discretion, as indicated by Connors v. Connecticut Gen. Life Ins. Co., 272 F.3d 127 (2nd Cir. 2001), and breaches the terms and provisions of the aforementioned employee welfare benefit plan.

WHEREFORE, Plaintiff prays that:

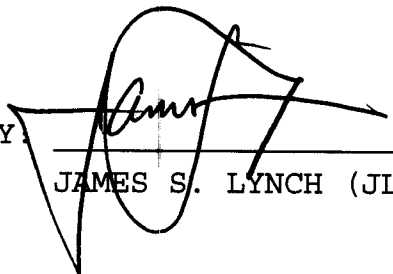
A. This Court decree and declare that Plaintiff is entitled to payment of past and future plan benefits, with interest for all past benefits previously denied, under the CONSECO employee disability benefit plan to the full extent provided under said plan; and that

B. This Court order defendants to pay Plaintiff the costs of this action, together with reasonable attorney fees, pursuant to ERISA § 502(g), codified as 29 U.S.C. § 1132(g); and that

C. This Court provide such other relief as the Court may

deem necessary to secure Plaintiff's rights.

LYNCH LAW FIRM, P.C.
222 Route 59, Suite 111
Suffern, NY 10901
(800) 656-9529
Attorneys for Plaintiff
RAYMOND PAWLYK

BY: 
JAMES S. LYNCH (JL4898)

Dated: November 14, 2007
Suffern, New York

Exhibit A

LIFE INSURANCE COMPANY OF NORTH AMERICA
1601 CHESTNUT STREET
PHILADELPHIA, PA 19192-2235
(800) 732-1603 TDD (800) 552-5744
A STOCK INSURANCE COMPANY

GROUP POLICY

POLICYHOLDER: STATE FARM MUTUAL AUTOMOBILE INSURANCE
COMPANY AND ITS SUBSIDIARY AND AFFILIATED
COMPANIES

POLICY NUMBER: LK-006900

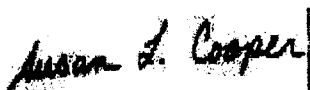
POLICY EFFECTIVE DATE: January 1, 1999

REVISED AND REISSUE DATE: January 1, 2005

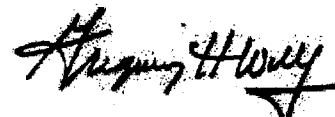
POLICY ANNIVERSARY DATE: January 1

This Policy describes the terms and conditions of coverage. It is issued in Illinois and shall be governed by its laws. The Policy goes into effect on the Policy Effective Date, 12:01 a.m. at the Policyholder's address.

In return for the required premium, the Insurance Company and the Policyholder have agreed to all the terms of this Policy.



Susan L. Cooper, Secretary



Gregory H. Wolf, President

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SCHEDULE OF AFFILIATES

Classes of Eligible Employees of State Farm Mutual Automobile Insurance Company and its subsidiaries and affiliated companies are eligible to be covered under the Policy as of January 1, 1999.

TL-004776

SCHEDULE OF BENEFITS

Premium Due Date Premiums are due in arrears on the date coinciding with the day of the Policy Anniversary Date or the last day of the month, if earlier.

Reissue Date: January 1, 2005. The Policy reflects the terms and conditions of coverage applicable on this date. If an Insured is not in Active Service on the Reissue Date, coverage will be determined on the basis of the prior policy and any subsequent amendments until the Insured returns to Active Service.

Participation Requirements 75% of Eligible Employees, but not less than 10 Employees.

Classes of Eligible Employees

Class 1 All active Employees of the Employer who have elected the Basic Plan (Option I - 50% of salary).

Class 2 All active Employees of the Employer who have elected the Supplemental Coverage Plan (Option II - 60% of salary).

SCHEDULE OF BENEFITS FOR CLASS 1

Eligibility Waiting Period

All US Employees are eligible for coverage in Class 1 as follows:

U.S. Employees (excluding Trainee Agents) are eligible for benefits described in this policy if they customarily average eighteen hours per week per pay period and customarily work five continuous months or more a year. Employees hired on the first calendar day of the month are eligible on the date they are hired. Employees hired after the first calendar day of the month are eligible on the first day of the following month.

Trainee Agents who are appointed on the first calendar day of the month are eligible on the date they are appointed. Trainee Agents appointed after the first calendar day of the month are eligible on the first day of the following month.

Coverage for Eligible Employees will become effective according to the provisions set forth in Policy Section "Effective Date of Employee Insurance" provided that such person is in Active Service on that date.

Definition of Disability

An Employee is Disabled if, because of Injury or Sickness,

1. he/she is unable to perform all the material duties of his/her regular occupation, or solely due to Injury or Sickness, he/she is unable to earn more than 80% of his/her Indexed Covered Earnings; and
2. after Disability Benefits have been payable for 24 months, he/she is unable to perform all the material duties of any occupation for which he/she may reasonably become qualified based on education, training or experience, or solely due to Injury or Sickness, he/she is unable to earn more than 80% of his/her Indexed Covered Earnings.

Definition of Covered Earnings for U. S. Employees

Covered Earnings means an Employee's annual pay rate paid to the Employee by the Employer on the date immediately preceding the date Disability begins. Covered Earnings do not include commissions, bonuses, overtime pay or other forms of compensation.

Covered Earnings are determined initially on the date the Employee enrolls for Disability coverage. A change in the amount of Covered Earnings is effective on the date of the change if the premium is paid. Any increase in an Employee's Covered Earnings will not become effective during a period of continuous Disability.

Definition of Covered Earnings for Trainee Agents

Covered Earnings means the annual pay rate paid to the Employee by the Employer in effect on the last day immediately preceding the first day of appointment as a Trainee Agent. Covered Earnings will be frozen throughout the duration of the Trainee Agent appointment.

Benefit and premium changes will be determined by the Covered Earnings in effect on the last day immediately preceding the first day of appointment as a Trainee Agent.

Definition of Covered Earnings for U.S. Employee Agents

Covered Earnings means, for those individuals who were Employees prior to being appointed as Employee Agents, the annual pay rate paid to the Employee by the Employer on the last day immediately preceding appointment. This amount will remain frozen from the date of appointment to the next January 1. Covered Earnings for next and subsequent calendar years will mean the actual compensation received by the Employee Agent from the Employer during the calendar year immediately preceding the most recent January 1.

Covered Earnings means, for those individuals who were not Employees prior to being appointed as Employee Agents, the annual first year developmental salary rate payable by the Employer. Covered Earnings will remain frozen from the date of appointment to the next January 1. Covered Earnings for the next and subsequent calendar years will mean the actual compensation received by the Employee Agent from the Employer during the calendar year immediately preceding the most recent January 1.

Benefit Waiting Period

The later of 180 days or the end of the State Farm paid sick leave benefit

A period of Disability is continuous even if the Employee temporarily returns to Full-time Active Service for up to 30 consecutive working days during the Benefit Waiting Period. The length of the Benefit Waiting Period will be extended by the number of days the Employee temporarily returns to Full-time Active Service.

Disability Benefit

1. The lesser of
 - (a) 50% of an Employee's monthly Covered Earnings; or
 - (b) \$27,500 a month; and
2. reduced by any Other Income Benefits.

"Other Income Benefits" means any benefits listed in the Other Income Benefits provision that an Employee receives on his/her own behalf or for dependents, or which the Employee's dependents receive because of the Employee's entitlement to Other Income Benefits.

Minimum Disability Benefit

\$250 per month

Work Incentive Benefits

For the first 12 months the Employee is eligible for a Disability Benefit, the Disability Benefit is as figured above. If for any month during this period, the sum of the Employee's Disability Benefit, current earnings and any additional Other Income Benefits exceeds 100% of his/her Indexed Covered Earnings, the Disability Benefit will be reduced by the excess amount.

After the first 12 months, the Disability Benefit is as figured above, reduced by 50% of his/her current earnings received during any month he/she returns to work. If the sum of the Employee's Disability Benefit, current earnings and any additional Other Income Benefits exceeds 80% of his/her monthly Indexed Covered Earnings, the Disability Benefit will be reduced by the excess amount figured above.

Current earnings include any wage or salary for work performed while Disability Benefits are payable. If an Employee is working for another employer on a regular basis when Disability begins, current earnings will include any increase in the amount he/she earns from this work during the period for which Disability Benefits are payable.

Additional Benefits*Conversion Privilege*

Please refer to the Description of Benefits for an explanation of this benefit.

Survivor Benefit

Amount of Benefit:

100% of the sum of the Disability Benefit prior to any reduction in Other Benefits.

Maximum Benefit Period

3 monthly payments.

Maximum Benefit PeriodAge When Disability BeginsMaximum Benefit Period

Age 62 or under

The later of: (a) the last day of the month coincident with the Employee's 65th birthday; or (b) the date the 42nd Monthly Benefit is payable;

Age 63

The date the 36th Monthly Benefit is payable.

Age 64

The date the 30th Monthly Benefit is payable.

Age 65

The date the 24th Monthly Benefit is payable.

Age 66

The date the 21st Monthly Benefit is payable.

Age 67

The date the 18th Monthly Benefit is payable.

Age 68

The date the 15th Monthly Benefit is payable.

Age 69 or older

The date the 12th Monthly Benefit is payable.

Initial Premium Rates

\$.692 per \$100 of Insured Benefit per Employee per month

Insured Benefit for an Employee will mean the lesser of 50% of Covered Earnings prior to the date Disability begins or \$27,500 a month.

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SCHEDULE OF BENEFITS FOR CLASS 2

Eligibility Waiting Period

All US Employees are eligible for coverage in Class 2 as follows:

U.S. Employees (excluding Trainee Agents) are eligible for benefits described in this policy if they customarily average eighteen hours per week per pay period and customarily work five continuous months or more a year. Those Employees hired on the first calendar day of the month are eligible on the date they are hired. Employees hired after the first calendar day of the month are eligible on the first day of the following month.

Trainee Agents who are appointed on the first calendar day of the month are eligible on the date they are appointed. Trainee Agents appointed after the first calendar day of the month are eligible on the first calendar day of the following month.

Coverage for eligible Employees will become effective according to the provisions set forth in Policy Section "Effective Date of Employee Insurance" provided that such person is in Active Service on that date.

Definition of Disability

An Employee is Disabled if, because of Injury or Sickness,

1. he/she is unable to perform all the material duties of his/her regular occupation, or solely due to Injury or Sickness, he/she is unable to earn more than 80% of his/her Indexed Covered Earnings; and
2. after Disability Benefits have been payable for 24 months, he/she is unable to perform all the material duties of any occupation for which he/she may reasonably become qualified based on education, training or experience, or solely due to Injury or Sickness, he/she is unable to earn more than 80% of his/her Indexed Covered Earnings.

Definition of Covered Earnings for U. S. Employees

Covered Earnings means an Employee's annual pay rate paid to the Employee by the Employer on the date immediately preceding the date Disability begins. Covered Earnings do not include commissions, bonuses, overtime pay or other forms of compensation.

Covered Earnings are determined initially on the date the Employee enrolls for Disability coverage. A change in the amount of Covered Earnings is effective on the date of the change if the premium is paid. Any increase in an Employee's Covered Earnings will not become effective during a period of continuous Disability.

Definition of Covered Earnings for Trainee Agents

Covered Earnings means the annual pay rate paid to the Employee by the Employer in effect on the last day immediately preceding the first day of appointment as a Trainee Agent. Covered Earnings will be frozen throughout the duration of the Trainee Agent appointment.

Benefit and premium changes will be determined by the Covered Earnings in effect on the last day immediately preceding the first day of appointment as a Trainee Agent.

Definition of Covered Earnings for U.S. Employee Agents

Covered Earnings means, for those individuals who were Employees prior to being appointed as Employee Agents, the annual pay rate paid to the Employee by the Employer on the last day immediately preceding appointment. This amount will remain frozen from the date of appointment to the next January 1. Covered Earnings for next and subsequent calendar years will mean the actual compensation received by the Employee Agent from the Employer during the calendar year immediately preceding the most recent January 1.

Covered Earnings means, for those individuals who were not Employees prior to being appointed as Employee Agents, the annual first year developmental salary rate payable by the Employer. Covered earnings will remain frozen from the date of appointment to the next January 1. Covered Earnings for the next and subsequent calendar years will mean the actual compensation received by the Employee Agent from the Employer during the calendar year immediately preceding the most recent January 1.

Benefit Waiting Period	The later of 180 days or the end of the State Farm paid sick leave benefit.
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A period of Disability is continuous even if the Employee temporarily returns to Full-time Active Service for up to 30 consecutive working days during the Benefit Waiting Period. The length of the Benefit Waiting Period will be extended by the number of days the Employee temporarily returns to Full-time Active Service.

Disability Benefit

1. The lesser of
 - (a) 60% of an Employee's monthly Covered Earnings; or
 - (b) \$32,500 a month, and
2. reduced by any Other Income Benefits.

"Other Income Benefits" means any benefits listed in the Other Income Benefits provision that an Employee receives on his/her own behalf or for dependents, or which the Employee's dependents receive because of the Employee's entitlement to Other Income Benefits.

Minimum Disability Benefit	\$250 per month
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Work Incentive Benefits

For the first 12 months the Employee is eligible for a Disability Benefit, the Disability Benefit is as figured above. If for any month during this period, the sum of the Employee's Disability Benefit, current earnings and any additional Other Income Benefits exceeds 100% of his/her Indexed Covered Earnings, the Disability Benefit will be reduced by the excess amount.

After the first 12 months, the Disability Benefit is as figured above, reduced by 50% of his/her current earnings received during any month he/she returns to work. If the sum of the Employee's Disability Benefit, current earnings and any additional Other Income Benefits exceeds 80% of his/her monthly Indexed Covered Earnings, the Disability Benefit will be reduced by the excess amount figured above.

Current earnings include any wage or salary for work performed while Disability Benefits are payable. If an Employee is working for another employer on a regular basis when Disability begins, current earnings will include any increase in the amount he/she earns from this work during the period for which Disability Benefits are payable.

Additional Benefits*Conversion Privilege*

Please refer to the Description of Benefits for an explanation of this benefit.

Survivor Benefit

Amount of Benefit:

100% of the sum of the Disability Benefit prior to any reduction in Other Benefits.

Maximum Benefit Period

3 monthly payments.

Maximum Benefit PeriodAge When Disability BeginsMaximum Benefit Period

Age 62 or under

The later of: (a) the last day of the month coincident with the Employee's 65th birthday; or (b) the date the 42nd Monthly Benefit is payable;

Age 63

The date the 36th Monthly Benefit is payable.

Age 64

The date the 30th Monthly Benefit is payable.

Age 65

The date the 24th Monthly Benefit is payable.

Age 66

The date the 21st Monthly Benefit is payable.

Age 67

The date the 18th Monthly Benefit is payable.

Age 68

The date the 15th Monthly Benefit is payable.

Age 69 or older

The date the 12th Monthly Benefit is payable.

Initial Premium Rates

\$.787 per \$100 of Insured Benefit per Employee per month

Insured Benefit for an Employee will mean the lesser of 60% of Covered Earnings prior to the date Disability begins or \$32,500 a month.

TL-004774

ELIGIBILITY FOR INSURANCE

An Employee in one of the Classes of Eligible Employees shown in the Schedule of Benefits is eligible to be insured on the Policy Effective Date, or the day after he or she completes the Eligibility Waiting Period, if later. The Eligibility Waiting Period is the period of time the Employee must be in Active Service to be eligible for coverage.

Except as noted in the Reinstatement Provision, if an Employee terminates coverage and later wishes to reapply, or if a former Employee is rehired, a new Eligibility Waiting Period must be satisfied.

EFFECTIVE DATE OF INSURANCE

Each Employee may elect to be insured for Employee Insurance only by signing a payroll deduction form approved by the Policyholder and the Insurance Company. The Effective Date of his insurance depends upon the date on which the Employee elects the insurance.

- (1) If he/she elects Employee Insurance on or before the date he/she becomes eligible, his/her insurance will become effective on the date he/she becomes eligible.
- (2) If he/she is hired or appointed on the first calendar day of the month, his/her insurance will take effect on the date of hire or appointment date provided enrollment is made within the first 31 days of Active Service.
- (3) If he/she is hired or appointed after the first calendar day of the month, but enrollment occurs within 31 days of the date Active Service begins, his/her insurance will take effect on the first calendar day of the month following the month of hire or appointment.
- (4) If he/she elects Employee Insurance more than 31 days after he/she becomes eligible, his/her insurance will become effective on the first day of the calendar month coinciding with or next following the date the Insurance Company agrees in writing to insure him/her.
- (5) If his/her Employee Insurance ceased because he/she canceled his/her payroll deduction and he/she again elects to be insured, his/her insurance will become effective on the first day of the calendar month coinciding with or next following the date the Insurance Company agrees in writing to insure him/her.
- (6) If he/she previously waived or canceled coverage and is again associated with State Farm within one year of his/her termination date, his/her insurance will become effective on the first day of the calendar month coinciding with or next following the date the Insurance Company agrees in writing to insure him/her.

Under the circumstances described in items 4, 5 and 6, the Insurance Company will require the Employee to submit evidence of good health acceptable to the Insurance Company at his/her own expense before it agrees to insure him/her.

If an Employee is not in Active Service on the date insurance would otherwise be effective, it will become effective on the date he/she returns to any occupation for the Employer on a Full-time basis.

Insurance of persons becoming eligible for coverage under this policy who are insured under the State Farm Agents' Long Term Disability Plan (LK-006903) shall take effect automatically on the first calendar day of the month coinciding with or next following the effective date of hire or appointment, and the coverage becoming effective on the date of such automatic coverage will remain in effect until the next following January 1st.

If an Employee, prior to the effective date of his hire or appointment was eligible for coverage under the State Farm Agents' Long Term Disability Plan and either waived such coverage or requested that coverage be discontinued, such Employee shall be eligible for coverage on the first day of the calendar month coinciding with or next following the date the Insurance Company agrees in writing to Insure him.

TL-004712

TERMINATION OF INSURANCE

The insurance on an Employee will end on the earliest date below.

1. The date the Employee ceases to be in a Class of Eligible Employees or ceases to qualify as an Employee, except that in the case of an Insured Employee transferring directly, without a break in affiliation with State Farm to an eligible agent classification as described in Policy LK-006903 insurance under this policy shall not terminate until the first calendar day of the month coinciding with or next following the effective date of employment in or appointment to such eligible class under the applicable policy.
2. The day after the period for which premiums are paid.
3. The date the Policy terminated.
4. The end of the month following the date the Employee is no longer in Active Service.
5. The date the Employee is eligible for coverage under a plan intended to replace this coverage.
6. The date the Employee is earning 80% or more of his/her Indexed Covered Earnings while Disabled.

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(6900)

CONTINUATION OF INSURANCE

Disability Insurance continues if an Employee's Active Service ends due to a Disability for which benefits under the Policy are or may become payable. Premiums for the Employee will be waived while Disability Benefits are payable. If the Employee does not return to Active Service, this insurance ends when the Disability ends or when benefits are no longer payable, whichever occurs first.

If an Employee's Active Service ends due to a family medical leave of absence, insurance will continue for up to 12 weeks, if the required premium is paid.

If an Employee's Active Service ends due to layoff or termination of employment, insurance will not continue.

If an Employee's insurance is continued and he/she becomes Disabled during a family medical leave of absence, Disability Benefits will not begin until the date the Elimination Period is satisfied or the date he/she is scheduled to return to Active Service, if later.

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DESCRIPTION OF BENEFITS

The following provisions explain the benefits available under the Policy. Please see the Schedule of Benefits for the applicability of these benefits to each class of Insureds.

Disability Benefits

The Insurance Company will pay Disability Benefits if an Employee becomes Disabled while covered under this Policy. A Disabled Employee must satisfy the Benefit Waiting Period and be under the Appropriate Care of a Physician. Satisfactory proof of Disability must be provided to the Insurance Company, at the Employee's expense, before benefits will be paid.

The Insurance Company will require continued proof of the Employee's Disability for benefits to continue.

Benefit Waiting Period

The Benefit Waiting Period is the period of time an Employee must be continuously Disabled before Disability Benefits may be payable. The Benefit Waiting Period is shown in the Schedule of Benefits.

The Insurance Company will waive the Benefit Waiting Period for an Employee if benefits under a Prior Plan were payable on the Policy Effective Date and the Employee returns to Active Service within 6 months after that date. The return to Active Service must be for more than 14 consecutive days but less than 6 months. The later Disability must be caused by the same or related causes for the Benefit Waiting Period to be waived.

Termination of Disability Benefits

Disability Benefits will end on the earliest of the following dates.

1. The date the Insurance Company determines an Employee is not Disabled
2. The end of the Maximum Benefit Period
3. The date an Employee dies
4. The date the Employee refuses to participate in rehabilitation efforts as required by the Insurance Company
5. The date the Employee is no longer receiving Appropriate Care

Successive Periods of Disability

Once an Employee is eligible to receive Disability Benefits under the Policy, separate periods of Disability resulting from the same or related causes are a continuous period of Disability unless the Employee can return to Active Service for more than one day but less than 6 consecutive months.

A period of Disability is not continuous if separate periods of Disability result from unrelated causes or the later Disability occurs after coverage under the Policy ends.

When separate periods of Disability are considered to be one continuous period of Disability, the benefit payable will be based on amount of the Disability Benefit in effect at the beginning of the original Disability.

The Successive Periods of Disability provision will not apply if an Employee is eligible for coverage under a plan that replaces this Policy.

Mental Illness, Alcoholism and Drug Abuse Limitation

The Insurance Company will pay Disability Benefits on a limited basis during an Employee's lifetime for a Disability caused by, or contributed to by, any one or more of the following conditions. Once 24 monthly Disability Benefits have been paid, no further benefits will be payable for any of the following conditions.

1. Alcoholism
2. Anxiety Disorders
3. Delusional (paranoid) disorders
4. Depressive disorders
5. Drug addiction or abuse
6. Eating disorders
7. Mental Illness
8. Somatoform disorders (psychosomatic illness)

If, before reaching the lifetime maximum benefit, an Employee is confined in a hospital for more than 14 consecutive days, that period of confinement will not count against the lifetime limit. The confinement must be for the Appropriate Care of any of the conditions listed above.

Pre-Existing Condition Limitation

The Insurance Company will not pay Disability Benefits for any period of Disability caused by or contributed to by, or resulting from, a Pre-Existing Condition. A "pre-existing condition" means any Injury or Sickness for which the Employee incurred expenses, received medical treatment, care or services including diagnostic measures or, took prescribed drugs or medicines within 3 months before his/her most recent effective date of insurance.

The Pre-Existing Condition Limitation will apply to any added benefits or increases in benefits. It will not apply to a period of Disability that begins after an Employee is in Active Service for at least 12 months after his/her most recent effective date of insurance or the effective date of any added or increased benefits.

Except for any amount of benefit in excess of a Prior Plan's benefit, the Pre-Existing Condition Limitation will not apply to an Employee covered under a Prior Plan who satisfied the pre-existing condition limitation, if any, under that plan. If an Employee, covered under a Prior Plan, did not fully satisfy the pre-existing condition limitation of that plan, credit will be given for any time that was satisfied.

Time will not be credited for any day an Employee is not actively at work due to his/her Injury or Sickness. The Pre-Existing Condition Limitation will be extended by the number of days the Employee is not actively at work due to his/her Injury or Sickness.

An Insured who was covered under policy LK-6900 will receive credit towards satisfying the Pre-Existing Condition Limitation for Active Service while covered under that plan, provided the Insured was in Active Service when their coverage transferred to policy LK-6903.

Disability Benefit Calculation

The Disability Benefit for any month Disability Benefits are payable is shown in the Schedule of Benefits. Disability Benefits are based on a 30 day period. They will be prorated if payable for any period less than a month.

Work Incentive Benefit

If an Employee is covered for Work Incentive Benefits, he/she may return to work while Disabled and Disability Benefits will continue. The conditions under which an Employee may return to work and the amount of this benefit are shown in the Schedule of Benefits.

The Insurance Company will review the Employee's status and will require satisfactory proof of earnings and continued Disability.

Other Income Benefits

While an Employee is Disabled, he/she may be eligible for benefits from other income sources. If so, the Insurance Company may reduce the Disability Benefits payable by the amount of such Other Income Benefits. The extent to which Other Income Benefits will reduce any Disability Benefits payable under the Policy is shown in the Schedule of Benefits.

Other Income Benefits include:

1. any amounts which the Employee or any dependents, if applicable, receive (or are assumed to receive*) under:
 - a. the Canada and Quebec Pension Plans;
 - b. any local, state, provincial or federal government disability or retirement plan or law payable for Injury or Sickness provided as a result of employment with the Employer;
 - c. any sick leave plan of the Employer;
 - d. any work loss provision in mandatory "No-Fault" auto insurance;
 - e. any Workers' Compensation, occupational disease, unemployment compensation law or similar state or federal law, including all permanent as well as temporary disability benefits. This includes any damages, compromises or settlement paid in place of such benefits, whether or not liability is admitted.
2. any Social Security disability benefits the Employee or any third party receives (or is assumed to receive*) on the Employee's behalf or for his or her dependents; or, if applicable, which his or her dependents receive (or are assumed to receive*) because of the Employee's entitlement to such benefits.
3. any retirement plan benefits funded by the Employer which the Employee receives prior to age 65. The Insurance Company will not offset the Disability Benefit by any benefits received under the State Farm Retirement Plan upon the Employees attainment of age 65. "Retirement plan" means any defined benefit or defined contribution plan sponsored or funded by an employer. It does not include an individual deferred compensation agreement; a profit sharing or any other retirement or savings plan maintained in addition to a defined benefit or other defined contribution pension plan, or any Employee savings plan including a thrift, stock option or stock bonus plan, individual retirement account or 401(k) plan.
4. any proceeds payable under any franchise or group insurance or similar plan. If there is other insurance that applies to the same claim for Disability, and contains the same or similar provision for reduction because of other insurance, the Insurance Company will pay its pro rata share of the total claim. "Pro rata share" means the proportion of the total benefit that the amount payable under one policy, without other insurance, bears to the total benefits under all such policies.
5. any wage or salary for work performed. If an Employee is covered for Work Incentive Benefits, the Insurance Company will only reduce Disability Benefits to the extent provided under the Work Incentive Benefit in the Schedule of Benefits.

With respect to Trainee Agents who have terminated their contractual agreement with the Employer, Other Benefits will NOT include any "flow through payments" or lump sum bonus payments made by the employer to the Trainee Agents.

Dependents include any person who receives (or is assumed to receive*) benefits under any applicable law on account of an Employee's entitlement to benefits.

* See the Assumed Receipt of Benefits provision.

Increases in Other Income Benefits

After the first deduction for any Other Income Benefit (except wage or salary) is made, benefits will not be further reduced during that period of Disability due to any cost of living increase in that Other Income Benefit.

Lump Sum Payments

Other Income Benefits or earnings that are paid in a lump sum will be prorated over the period for which the sum is given. If no time is stated the lump sum will be prorated monthly over a five year period.

If no specific allocation of a lump sum payment is made, then the total payment will be an Other Income Benefit.

Assumed Receipt of Benefits

The Insurance Company will assume the Employee (or his/her dependents, if applicable) are receiving Other Income Benefits if they may be eligible for them. These assumed benefits will be the amount the Insurance Company estimates the Employee (or his/her dependents, if applicable) may be eligible to receive. Disability Benefits will be reduced by the amount of any assumed benefits as if they were actually received.

Except for any wage or salary for work performed while Disability Benefits are payable, this assumption will not be made if the Employee gives the Insurance Company proof of the following events.

1. Application was made for these benefits
2. A Reimbursement Agreement is signed
3. Any and all appeals were made for these benefits or the Insurance Company determines further appeals will not be successful
4. Payments were denied

The Insurance Company will not assume receipt of, nor reduce benefits by, any elective, actuarially reduced, or early retirement benefits under such laws until the Employee actually receives them.

Social Security Assistance

The Insurance Company will, at its discretion, assist the Employee in applying for Social Security Disability Income (SSDI) benefits. Disability Benefits will not be reduced by the assumed receipt of SSDI benefits while the Employee participates in the Social Security Assistance Program.

The Insurance Company may require the Employee to file an appeal if it believes a reversal of a prior decision is possible. If the Employee refuses to participate in, or cooperate with, the Social Security Assistance Program, the Insurance Company will assume receipt of SSDI benefits until the Employee gives us proof that all administrative remedies are exhausted.

Minimum Benefit

The Insurance Company will pay the Minimum Benefit regardless of any reductions made for Other Income Benefits. However, if there is an overpayment due, this benefit may be reduced to recover the overpayment.

Recovery of Overpayment

If benefits are overpaid, the Insurance Company has the right to recover the amount overpaid by either of the following methods.

1. A request for lump sum payment of the overpaid amount
2. A reduction of any amounts payable under the Policy

If there is an overpayment due when an Employee dies, any benefits payable under the Policy will be reduced to recover the overpayment.

TL-004771

ADDITIONAL BENEFITS

Rehabilitation During a Period of Disability

If, while an Employee is Disabled, the Insurance Company determines that he/she is a suitable candidate for rehabilitation he/she may participate in a Rehabilitation Plan. The terms and conditions of the Rehabilitation Plan must be mutually agreed upon by the Employee and the Insurance Company.

The Insurance Company may require an Employee to participate in a rehabilitation assessment or a Rehabilitative Plan at our expense. The Insurance Company will work with the Employee and the Employee's Physician and others, as appropriate, to develop a Rehabilitation Plan. If the Employee refuses to participate in the rehabilitation efforts, Disability Benefits will not be payable.

The Rehabilitation Plan may, at the Insurance Company's discretion, allow for payment of the Employee's medical expense, education expense, moving expense, accommodation expense or family care expense while he/she participates in the program.

A "Rehabilitation Plan" is a written agreement between the Employee and the Insurance Company in which the Insurance Company agrees to provide, arrange or authorize vocational or physical rehabilitation services.

Conversion Privilege for Disability Insurance Benefits

If an Employee's insurance ends because employment with the Employer ends, or an Employee is laid off or on an uninsured leave of absence, he/she may be eligible for conversion insurance.

To be eligible, an Employee must have been insured for Disability Benefits and actively at work for at least 12 straight months. If the Employee makes application for conversion insurance within 31 days after insurance under this Policy ends, conversion insurance will be effective as of the date insurance under this Policy ends. If an Employee makes application more than 31 days after insurance under this Policy ends, the Insurance Company will require the Employee to provide satisfactory evidence of good health at his/her own expense. Conversion insurance will be effective on the date the Insurance Company agrees in writing to insure him/her. An Employee must apply for conversion insurance within 62 days after insurance ends.

The benefits of the conversion plan will be those benefits offered at the time an Employee applies. The premium will be based on the rates in effect for conversion plans at that time.

Conversion insurance is not available if any of the following conditions apply:

1. the Employee is retired or age 70 or older;
2. the Employee is not in Active Service because of Disability;
3. the Policy is canceled for any reason.

TL-007504.00

Survivor Benefit

The Insurance Company will pay a Survivor Benefit if an Employee dies while Monthly Benefits are payable. The Employee must have been continuously Disabled before the first benefit is payable. These benefits will be payable for the Maximum Benefit Period for Survivor Benefits.

Benefits will be paid to the Employee's Spouse. If there is no Spouse, benefits will be paid in equal shares to the Employee's surviving Children. If there are no Spouse and no Children, benefits will be paid to the Employee's estate.

"Spouse" means an Employee's lawful spouse. "Children" means an Employee's unmarried children under age 21 who are chiefly dependent upon the Employee for support and maintenance.

TL-007330.00

EXCLUSIONS

The Insurance Company will not pay Disability Benefits for a Disability that results, directly or indirectly, from:

1. suicide, attempted suicide, or whenever an Employee injures himself/herself on purpose (while sane or insane).
2. war or any act of war, whether or not declared.
3. serving on full-time active duty in any armed forces. If the Employee sends proof of military service, the Insurance Company will refund the portion of the premium paid to cover the Employee during a period of such service.
4. terrorism or active participation in a riot.
5. commission of a felony.
6. revocation, restriction or non-renewal of an Employee's license, permit or certification necessary to perform the duties of his/her occupation unless due solely to Injury or Sickness otherwise covered by the Policy.

The Insurance Company will not pay Disability Benefits for any period of Disability during which the Employee:

7. is incarcerated in a penal or corrections institution.
8. is not receiving Appropriate Care.
9. fails to cooperate with the Insurance Company in the administration of the claim. Such cooperation includes, but is not limited to, providing any information or documents needed to determine whether benefits are payable or the actual benefit amount due.
10. refuses to participate in rehabilitation efforts as required by the Insurance Company.

TL-004772

CLAIM PROVISIONS

Notice of Claim

Written notice, or notice by any other electronic/telephonic means authorized by the Insurance Company, must be given to the Insurance Company within 31 days after a covered loss occurs or begins or as soon as reasonably possible. If written notice, or notice by any other electronic/telephonic means authorized by the Insurance Company, is not given in that time, the claim will not be invalidated or reduced if it is shown that notice was given as soon as was reasonably possible. Notice can be given at our home office in Philadelphia, Pennsylvania or to our agent. Notice should include the Employer's Name and Policy Number and the claimant's name and address.

Claim Forms

When the Insurance Company receives notice of claim, the Insurance Company will send claim forms for filing proof of loss. If claim forms are not sent within 15 days after notice is received by the Insurance Company, the proof requirements will be met by submitting, within the time required under the "Proof of Loss" section, written proof, or proof by any other electronic/telephonic means authorized by the Insurance Company, of the nature and extent of the loss.

Claimant Cooperation Provision

Failure of a claimant to cooperate with the Insurance Company in the administration of the claim may result in termination of the claim. Such cooperation includes, but is not limited to, providing any information or documents needed to determine whether benefits are payable or the actual benefit amount due.

Insurance Data

The Employer is required to cooperate with the Insurance Company in the review of claims and applications for coverage. Any information the Insurance Company provides in these areas is confidential and may not be used or released by the Employer if not permitted by applicable privacy laws.

Proof of Loss

Written proof of loss, or proof by any other electronic/telephonic means authorized by the Insurance Company, must be given to the Insurance Company within 90 days after the date of the loss for which a claim is made. If written proof of loss, or proof by any other electronic/telephonic means authorized by the Insurance Company, is not given in that 90 day period, the claim will not be invalidated nor reduced if it is shown that it was given as soon as was reasonably possible. In any case, written proof of loss, or proof by any other electronic/telephonic means authorized by the Insurance Company, must be given not more than one year after that 90 day period. If written proof of loss, or proof by any other electronic/telephonic means authorized by the Insurance Company, is provided outside of these time limits, the claim will be denied. These time limits will not apply while the person making the claim lacks legal capacity.

Written proof, or proof by any other electronic/telephonic means authorized by the Insurance Company, that the loss continues must be furnished to the Insurance Company at intervals required by us. Within 30 days of a request, written proof of continued Disability and Appropriate Care by a Physician must be given to the Insurance Company.

Time of Payment

Disability Benefits will be paid at regular intervals of not less frequently than once a month. Any balance, unpaid at the end of any period for which the Insurance Company is liable, will be paid at that time.

To Whom Payable

Disability Benefits will be paid to the Employee. If any person to whom benefits are payable is a minor or, in the opinion of the Insurance Company, is not able to give a valid receipt, such payment will be made to his/her legal guardian. However, if no request for payment has been made by the legal guardian, the Insurance Company, may at its option, make payment to the person or institution appearing to have assumed custody and support.

If an Employee dies while any Disability Benefits remain unpaid, the Insurance Company may, at its option, make direct payment to any of the following living relatives of the Employee: spouse, mother, father, children, brothers or sisters; or to the executors or administrators of the Employee's estate. The Insurance Company may reduce the amount payable by any indebtedness due.

Payment in the manner described above will release the Insurance Company from all liability for any payment made.

For plans subject to the Employee Retirement Income Security Act (ERISA), The Plan Administrator of the Employer's employee welfare benefit plan (the Plan) has appointed the Insurance Company as the Plan fiduciary under federal law for the review of claims for benefits provided by this Policy and for deciding appeals of denied claims. In this role the Insurance Company shall have the authority, in its discretion, to interpret the terms of the Plan documents, to decide questions of eligibility for coverage or benefits under the Plan, and to make any related findings of fact. All decisions made by the Insurance Company in this capacity shall be final and binding on Participants and Beneficiaries of The Plan to the full extent permitted by law.

The Insurance Company has no fiduciary responsibility with respect to the administration of The Plan except as described above. It is understood that the Insurance Company's sole liability to the Plan and to Participants and Beneficiaries under The Plan shall be for the payment of benefits provided under this Policy.

Physical Examination and Autopsy

The Insurance Company, at its expense, will have the right to examine any person for whom a claim is pending as often as it may reasonably require. The Insurance Company may, at its expense, require an autopsy unless prohibited by law.

Legal Actions

No action at law or in equity may be brought to recover benefits under the Policy less than 60 days after written proof of loss, or proof by any other electronic/telephonic means authorized by the Insurance Company, has been furnished as required by the Policy. No such action shall be brought more than 3 years after the time satisfactory proof of loss is required to be furnished.

Time Limitations

If any time limit stated in the Policy for giving notice of claim or proof of loss, or for bringing any action at law or in equity, is less than that permitted by the law of the state in which the Employee lives when the Policy is issued, then the time limit provided in the Policy is extended to agree with the minimum permitted by the law of that state.

Physician/Patient Relationship

The Insured will have the right to choose any Physician who is practicing legally. The Insurance Company will in no way disturb the Physician/patient relationship.

TL-004724

ADMINISTRATIVE PROVISIONS**Premiums**

The premiums for this Policy will be based on the rates currently in force, the plan and the amount of insurance in effect.

Changes in Premium Rates

The premium rates may be changed by the Insurance Company from time to time with at least 31 days advance written notice. No change in rates will be made until 12 months after the Policy Effective Date. An increase in rates will not be made more often than once in a 12 month period. However, the Insurance Company reserves the right to change the rates even during a period for which the rate is guaranteed if any of the following events take place.

1. The terms of the Policy change.
2. A division, subsidiary, affiliated company or eligible class is added or deleted from the Policy.
3. There is a change in the factors bearing on the risk assumed.
4. Any federal or state law or regulation is amended to the extent it affects the Insurance Company's benefit obligation.
5. The Insurance Company determines that the Employer has failed to promptly furnish any necessary information requested by the Insurance Company, or has failed to perform any other obligations in relation to the Policy.

If an increase or decrease in rates takes place on a date that is not a Premium Due Date, a pro rata adjustment will apply from the date of the change to the next Premium Due Date.

Reporting Requirements

The Employer must, upon request, give the Insurance Company any information required to determine who is insured, the amount of insurance in force and any other information needed to administer the plan of insurance.

Payment of Premium

The first premium is due on the Policy Effective Date. After that, premiums will be due monthly unless the Employer and the Insurance Company agree on some other method of premium payment.

If any premium is not paid when due, the plan will be canceled as of the Premium Due Date, except as provided in the Policy Grace Period section.

Notice of Cancellation

The Employer or the Insurance Company may cancel the Policy as of any Premium Due Date by giving 31 days advance written notice. If a premium is not paid when due, the Policy will automatically be canceled as of the Premium Due Date, except as provided in the Policy Grace Period section.

The Insurance Company may cancel the Policy as of any Premium Due Date if the participation requirements are not met.

Policy Grace Period

A Policy Grace Period of 31 days will be granted for the payment of the required premiums under the Policy. The Policy will be in force during the Policy Grace Period. If the required premiums are not paid during the Policy Grace Period, insurance will end on the last Premium Due Date. The Employer will be liable to the Insurance Company for any unpaid premium for the time the Policy was in force.

Reinstatement of Insurance

An Employee's insurance may be reinstated if it ends because the Employee is on an unpaid leave of absence.

An Employee's insurance may be reinstated only if reinstatement occurs within 6 months from the date insurance ends due to an Employer approved unpaid leave of absence. For insurance to be reinstated the following conditions must be met.

1. An Employee must be in a Class of Eligible Employees.
2. The required premium must be paid.
3. A written request for reinstatement must be received by the Insurance Company within 31 days from the date an Employee returns to Active Service.

Reinstated insurance will be effective on the date the Employee returns to Active Service. If an Employee did not fully satisfy the Eligibility Waiting Period or the Pre-Existing Condition Limitation before insurance ended due to an unpaid leave of absence, credit will be given for any time that was satisfied.

TL-004720

GENERAL PROVISIONS

Entire Contract

The entire contract will be made up of the Policy, the application of the Employer, a copy of which is attached to the Policy, and the applications, if any, of the Insureds.

Incontestability

All statements made by the Employer or by an Insured are representations not warranties. No statement will be used to deny or reduce benefits or as a defense to a claim, unless a copy of the instrument containing the statement has been furnished to the claimant. In the event of death or legal incapacity, the beneficiary or representative must receive the copy.

After two years from an Insured's effective date of insurance, or from the effective date of any added or increased benefits, no such statement will cause insurance to be contested except for fraud or eligibility for coverage.

Misstatement of Age

If an Insured's age has been misstated, the Insurance Company will adjust all benefits to the amounts that would have been purchased for the correct age.

Policy Changes

No change in the Policy will be valid until approved by an executive officer of the Insurance Company. This approval must be endorsed on, or attached to, the Policy. No agent may change the Policy or waive any of its provisions.

Workers' Compensation Insurance

The Policy is not in lieu of and does not affect any requirements for insurance under any Workers' Compensation Insurance.

Certificates

A certificate of insurance will be delivered to the Employer for delivery to Insureds. Each certificate will list the benefits, conditions and limits of the Policy. It will state to whom benefits will be paid.

Assignment of Benefits

The Insurance Company will not be affected by the assignment of an Insured's certificate until the original assignment or a certified copy of the assignment is filed with the Insurance Company. The Insurance Company will not be responsible for the validity or sufficiency of an assignment. An assignment of benefits will operate so long as the assignment remains in force provided insurance under the Policy is in effect. This insurance may not be levied on, attached, garnisheed, or otherwise taken for a person's debts. This prohibition does not apply where contrary to law.

Conformity with State Statutes

Any provision of the Policy in conflict on the Policy Effective Date with the laws of the state where the Policy is delivered is amended to conform to the minimum requirements of such laws.

Clerical Error

A person's insurance will not be affected by error or delay in keeping records of insurance under the Policy. If such an error is found, the premium will be adjusted fairly.

Agency

The Employer and Plan Administrator are agents of the Employee for transactions relating to insurance under the Policy. The Insurance Company is not liable for any of their acts or omissions.

TL-004726

DEFINITIONS

Please note, certain words used in this document have specific meanings. These terms will be capitalized throughout this document. The definition of any word, if not defined in the text where it is used, may be found either in this Definitions section or in the Schedule of Benefits.

Active Service

An Employee will be considered in Active Service with the Employer on a day which is one of the Employer's scheduled work days if either of the following conditions are met.

1. He/she is actively at work. This means the Employee is performing his or her regular occupation for the Employer either at one of the Employer's usual places of business or at some location to which the Employer's business requires the Employee to travel, or at the Employee's home (if the Employee is participating in a work at home arrangement approved by the Employer).
2. The day is a scheduled holiday, vacation day or period of Employer approved paid leave of absence.

An Employee is considered in Active Service on a day which is not one of the Employer's scheduled work days only if he/she was in Active Service on the preceding scheduled work day.

Appropriate Care

Appropriate Care means the determination of an accurate and medically supported diagnosis of the Employee's Disability by a Physician, or a plan established by a Physician of ongoing medical treatment and care of the Disability that conforms to generally accepted medical standards, including frequency of treatment and care.

Consumer Price Index (CPI-W)

The Consumer Price Index for Urban Wage Earners and Clerical Workers published by the U.S. Department of Labor. If the index is discontinued or changed, another nationally published index that is comparable to the CPI-W will be used.

Employee

For eligibility purposes, an Employee is a full-time or part-time employee of the Employer, including Trainee Agents and Employee Agents of the Employer, who customarily average eighteen hours a week per pay period and customarily work five continuous months or more a year.

Leased Employees will not be considered Employees for the purpose of this definition and will not be included for coverage under this policy.

Employer

The Policyholder and any affiliates or subsidiaries covered under the Policy. The Employer is acting as an agent of the Insured for transactions relating to this insurance. The actions of the Employer shall not be considered the actions of the Insurance Company.

Enrollment

Written application or proof of any other electronic/telephonic means authorized by the Insurance Company.

Full-time

Full-time means the number of hours set by the Employer as a regular work day for Employees in the Employee's eligibility class.

Indexed Covered Earnings

For the first 12 months Monthly Benefits are payable, Indexed Covered Earnings will be equal to Covered Earnings. After 12 Monthly Benefits are payable, Indexed Covered Earnings will be an Employee's Covered Earnings plus an increase applied on each anniversary of the date Monthly Benefits became payable. The amount of each increase will be the lesser of:

1. 10% of the Employee's Indexed Covered Earnings during the preceding year of Disability; or
2. the rate of increase in the Consumer Price Index (CPI-W) during the preceding calendar year.

Injury

Any accidental loss or bodily harm which results directly or independently of all other causes from an Accident.

Insurability Requirement

An eligible person will satisfy the Insurability Requirement for an amount of coverage on the day the Insurance Company agrees in writing to accept him or her as insured for that amount. To determine a person's acceptability for coverage, the Insurance Company will require evidence of good health and may require it be provided at the Employee's expense.

Insurance Company

The Insurance Company underwriting the Policy is named on the Policy cover page.

Insured

A person who is eligible for insurance under the Policy, for whom insurance is elected, the required premium is paid and coverage is in force under the Policy.

Physician

Physician means a licensed doctor practicing within the scope of his or her license and rendering care and treatment to an Insured that is appropriate for the condition and locality. The term does not include an Employee, an Employee's spouse, the immediate family (including parents, children, siblings or spouses of any of the foregoing, whether the relationship derives from blood or marriage), of an Employee or spouse, or a person living in an Employee's household.

Prior Plan

The Prior Plan refers to the plan of insurance providing similar benefits sponsored by the Employer in effect directly prior to the Policy Effective Date.

Sickness

Any physical or mental illness or disease.

TL-004708

**LIFE INSURANCE COMPANY OF NORTH AMERICA
PHILADELPHIA, PENNSYLVANIA**

We, STATE FARM MUTUAL AUTOMOBILE INSURANCE COMPANY AND ITS SUBSIDIARY AND AFFILIATED COMPANIES, whose main office address is Bloomington, Illinois, hereby apply to the Life Insurance Company of North America for Policy Number LK-006900.

We approve and accept the terms of this Policy.

This application is to be signed in duplicate. One part is to be attached to the Policy; the other part is to be returned to the Life Insurance Company of North America.

This application supersedes any previous application for this Policy.

**STATE FARM MUTUAL AUTOMOBILE INSURANCE COMPANY
AND ITS SUBSIDIARY AND AFFILIATED COMPANIES**
(Full or Corporate Name of Applicant)

Signed at _____ By _____
(Signature and Title)

On _____ Witness _____

(To be signed by Licensed Resident Agent where required by law)

TL-004778

(This Copy Is To Remain Attached To The Policy)

**LIFE INSURANCE COMPANY OF NORTH AMERICA
PHILADELPHIA, PENNSYLVANIA**

We, STATE FARM MUTUAL AUTOMOBILE INSURANCE COMPANY AND ITS SUBSIDIARY AND AFFILIATED COMPANIES, whose main office address is Bloomington, Illinois, hereby apply to the Life Insurance Company of North America for Policy Number LK-006900.

We approve and accept the terms of this Policy.

This application is to be signed in duplicate. One part is to be attached to the Policy; the other part is to be returned to the Life Insurance Company of North America.

This application supersedes any previous application for this Policy.

**STATE FARM MUTUAL AUTOMOBILE INSURANCE COMPANY
AND ITS SUBSIDIARY AND AFFILIATED COMPANIES**
(Full or Corporate Name of Applicant)

Signed at _____ By _____
(Signature and Title)

On _____ Witness _____

(To be signed by Licensed Resident Agent where required by law)

TL-004778

(This Copy Is To Be Returned To Us)

Exhibit B

Medha Bhargava, F.L.M.I., ACS
CIGNA Group Insurance
D212
12225 Greenville Avenue
Suite 1000
Dallas, TX 75243-9337

Phone: 800-352-0611 ext. 1249
Fax: 860-731-3211



CIGNA Group Insurance
Life · Accident · Disability

MR. ARTHUR LYNCH, ESQUIRE OF COUNSEL
LYNCH LAW FIRM
45 EISENHOWER DR 3RD FLOOR
PARAMUS, NJ 07652

September 6, 2007

Name: RAYMOND PAWLYK
Incident Number: 1529725
Plan/Policy Number: LK0006900
Plan/Policy Holder: STATE FARM MUTUAL ATTN: LORI BECK
Underwriting Company: Life Insurance Company of North America

DEAR MR. LYNCH,

We have carefully reviewed your client's claim for Long Term Disability (LTD) and must affirm our previous denial of benefits dated February 28, 2007 and May 18, 2007.

State Farm's Long Term Disability policy has the following stipulations:

Definition of Disability

"An Employee is Disabled if, because of Injury or Sickness,

1. he or she is unable to perform all the material duties of his/her regular occupation, or solely due to Injury or Sickness, he/she is unable to earn more than 80% of his/ her Indexed Covered Earnings; and
2. after Disability Benefits have been payable for 24 months, he/she is unable to perform all the material duties of any occupation for which he/she may reasonably become qualified based on education, training or experience, or solely due to Injury or Sickness, he/she is unable to earn 80% or more of his or her Indexed Covered Earnings."

Disability Benefits

"The Insurance Company will pay Disability Benefits if an Employee becomes Disabled while covered under this Policy. A Disabled Employee must satisfy the Benefit Waiting Period and be under the Appropriate Care of a Physician. Satisfactory proof of Disability must be provided to the Insurance Company, at the Employee's expense, before Benefits will be paid.

The Insurance Company will require continued proof of the Employee's Disability for benefits to continue."

Benefit Waiting Period

"The Benefit Waiting Period is the period of time an Employee must be continuously Disabled before Disability Benefits may be payable. The Benefit Waiting Period is shown in the Schedule of Benefits."

September 6, 2007
Page 2

The Benefit Waiting period under the State Farm Mutual Long Term Disability policy is the later of 180 days or the end of the State Farm paid sick leave benefit.

Mr. Pawlyk's first day off work due to neck pain, shoulder pain, and back pain was August 30, 2006. Based on the above, the Benefit Waiting Period would have been met as of February 25, 2007 with Long Term Disability benefits starting on February 26, 2006 provided that Mr. Pawlyk met the Definition of Disability continuously throughout the Benefit Waiting Period.

Overview of Eligibility for Benefits

We based our decision on Mr. Pawlyk's claim for benefits upon Policy language and all documents contained in his claim file, viewed as a whole.

I am aware that Mr. Pawlyk has been off work since August 30, 2006 due to neck pain, shoulder pain, and back pain. As part of Mr. Pawlyk's appeal, you submitted a report from Dr. Hilley dated August 12, 2007. Please note that this is after the Benefit Waiting Period had ended and it has not been established that Mr. Pawlyk continuously met the Definition of Disability throughout the Benefit Waiting Period.

Summary

Mr. Lynch, the plan provides that Life Insurance Company of North America would pay benefits only if Mr. Pawlyk met the plan's requirements, including the definition of Disability. Disability is determined by medically supported limitations and restrictions which would preclude Mr. Pawlyk from performing the duties of his occupation as a Structural Estimator from his last day of work through the end of the Benefit Waiting Period. We do not dispute Mr. Pawlyk may have been somewhat limited or restricted due to his subsequent diagnoses and treatment; however, an explanation of Mr. Pawlyk's functionality and how his functional capacity prevented Mr. Pawlyk from continuously performing the material duties of his occupation from August 30, 2006 through February 25, 2007 and beyond was not clinically supported. The presence of a condition, diagnosis or treatment does not necessarily equate to a presence of a disabling condition or decreased level of functionality. As such, we are reaffirming our previous denial decisions of February 28, 2007 and May 18, 2007 within the meaning and terms of Mr. Pawlyk's group Long Term Disability plan.

At this point in time, Mr. Pawlyk has exhausted all administrative levels of appeal and no further appeals will be considered.

Please note that Mr. Pawlyk has a right to bring legal action regarding his claim under the ERISA section 502(a). Mr. Pawlyk and his plan may have other voluntary alternative dispute resolution options, such as mediation. One way to find out what may be available is to contact Mr. Pawlyk's local United States Department of Labor Office or his State Insurance Regulatory Agency.

Nothing contained in this letter should be construed as a waiver of any rights or defenses under the policy. This determination has been made in good faith and without prejudice under the terms and conditions of the contract, whether or not specifically mentioned herein.

Please review Mr. Pawlyk's insurance booklet, certificate or coverage information available from his employer to determine if he is eligible for additional benefits.

September 6, 2007
Page 3

Please contact our office at 800-352-0611 ext. 1249 should you have any questions.

Sincerely,

Medha Bharadwaj, FLMI, ACS
Appeal Claim Manager
